

University Enterprises, Inc. Policies and Procedures		Policy No. 610
Section:	Human Resources	
Policy:	Conflict of Interest	
Revised Date:	December 11, 1998	

Conflict of Interest

I. PURPOSE

To protect the integrity of the University Enterprises, Inc. (UEI), including but not limited to its information and services.

II. SCOPE

This policy applies to all UEI employees.

III. DEFINITIONS

A. A Conflict of Interest is any situation in which an employee has an outside personal economic interest which has the potential of being in conflict with the best interest of UEI. This includes utilizing any information (not a matter of public record) for personal gain not contemplated by the terms of employment, whether the person is or is not employed by UEI at the time the gain is realized.

IV. POLICY

No UEI employee shall utilize any information (not a matter of public record) received during employment for personal pecuniary gain, before, during, or after the person's employment with UEI.

University Enterprises, Inc. requires each employee to use good judgment, high ethical standards, and honesty in all business dealings. Observing these principles should prevent conflicts of interest. Employees are cautioned to consider both the reality and the appearance of a possible conflict of interest. When there is a question as to potential conflict, UEI expects the employee to take the most conservative position.

University Enterprises, Inc. employees may engage in activities outside their employment that are private in nature and which in no way conflict with or reflect upon UEI or its corporate image.

It is not feasible or possible to describe all the circumstances and conditions that might potentially be considered conflicts of interest. The following examples provide guidelines to potential conflicts.

- A. The following situations are considered to have the potential of being conflicts of interest, and therefore, are to be avoided.
1. Investing in the stock of any supplier of UEI whose performance is significantly influenced by UEI purchases if the individual's responsibilities involve decisions directly or indirectly related to UEI's relationship with such suppliers.
 2. Engaging in any transaction or employment that is in any way competitive with, or in conflict with, any activity or objective of UEI.

3. Engaging in any transaction or employment that could be considered supplying goods or services to UEI.
 4. Purchasing property for personal use at a price negotiated for UEI.
 5. Participating in any personal financial dealings with any individual or business organization furnishing merchandise, supplies, property, or services to UEI. An example of prohibited dealings would include arrangements to receive loans (other than from banks with whom UEI deals), commissions, royalties, property, or shares in profits.
 6. Accepting gifts of greater than nominal value, or accepting any favors which go beyond courtesies usually associated with good business practices.
 7. Accepting the extended use of any vehicle, appliance or other merchandise from an individual or business organization doing business with UEI (excluding bona fide testing of any products which are arranged for by authorized managers of UEI).
 8. Conflict of interest might also result from an employee's family members' or friends' dealings with UEI. All normal bidding and selection policies and procedures must be followed to assure no conflicts.
 9. No conflict of interest situation will be deemed to have arisen solely by virtue of ownership of the following:
 - Stock in a supplier, competitor, or customer of UEI or other corporation which does business with UEI provided that the interest is solely of an investment nature. An interest of one percent or less of outstanding stock in a company whose shares are available to the public is considered to fall in this investment category.
 - Deposits in a financial institution which does business with UEI such as banks, trust companies or savings and loan institutions.
 - Personal insurance policies issued by (a) mutual insurance carriers doing business with UEI or (b) other insurance carriers doing business with UEI.
- B. Buying Ethics: Buyers are required to transact business in a prudent manner and may not profit personally by virtue of the position they occupy. Any assets acquired through sales transactions are the property of UEI. It is the responsibility of the buyer to:
1. Give first consideration to the objectives and policies of UEI and Sacramento State.
 2. Strive to obtain the maximum ultimate value of each dollar of expenditure.
 3. Cooperate with trade and industrial associates, governmental, and private agencies engaged in the promotion and development of sound business methods.
 4. Demand honesty in sales representation, whether offered through a verbal or written statement, an advertisement, or a sample of the product.
 5. Decline personal gifts or gratuities.

6. Grant all vendors equal consideration, regard each transaction on its own merits, foster and promote fair, ethical and legal trade practices.
7. Use, only by consent, original ideas and designs devised by one vendor for competitive purchasing purposes.
8. Accord a prompt and courteous reception insofar as conditions permit to all who call on legitimate business missions.

V. PROCEDURE

- A. Any questions regarding a possible conflict of interest or outside work should be discussed with the immediate supervisor; department director; Director, Human Resources; or Executive Director.
- B. Failure to abide by these expectations or failure to disclose or discuss information related to potential conflict situations as outlined above may lead to disciplinary action up to and including dismissal.

VI. RESPONSIBILITIES

- A. Human Resources will provide Conflict of Interest forms to be completed by all regular employees during new employee orientation. Conflict of Interest forms are available in the Human Resources office.
- B. Supervisors shall periodically distribute Conflict of Interest Statements to all employees who have purchasing signature authority or who influence the selection or purchase of goods and services used by UEI.
- C. Supervisors are responsible for seeing that the statements are completed and returned to Human Resources in a timely manner.

V. RELATED POLICIES

Policy No. 605 Standards of Conduct